

ROBERT D. ORR, GOVERNOR

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**INDIANA STATE TEACHERS' RETIREMENT FUND
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The Honorable Robert D. Orr
Governor of the State of Indiana
Capitol Building
Indianapolis, Indiana 46204

Dear Governor Orr:

The 1984 Annual Report representing the condition of the Teachers' Retirement Fund is being submitted to you on behalf of the Board of Trustees and staff. The report consists of three sections: the financial section which also contains the State Board of Accounts auditor report, the statistical tables, the listing of investments and the actuarial section which contains the actuary's certification letter and latest valuation results.

A brief synopsis of the fiscal years ending June 30, 1983 and 1984 is shown below:

The Board of Trustees continues to be concerned with the ever increasing unfunded accrued liability. It is strongly recommended that the State of Indiana consider adopting a level funding pattern as detailed in the actuarial section of this report.

The Board of Trustees and staff pledge continuing prudence in managing the Fund and also to provide responsive and efficient service to the members of the Teachers' Retirement Fund.

Respectfully submitted,

Herbert E. Williams

Herbert E. Williams, President
Joseph C. Wagner, Vice - President
Mary Helen Stephen, Secretary
Joseph D. Ward, Trustee
Jerry M. Ault, Trustee

Loren D. Riede

Loren T. Tiede, Executive Secretary



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS

912 STATE OFFICE BUILDING
INDIANAPOLIS, INDIANA 46204-2281
(317) 232-2513

AUDITOR'S REPORT

TO: THE OFFICIALS OF THE INDIANA STATE TEACHERS' RETIREMENT FUND

We have examined the balance sheet of the Indiana State Teachers' Retirement Fund as of June 30, 1984, and the related statement of revenues, expenditures and changes in fund balance, and the statement of changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Indiana State Teachers' Retirement Fund as of June 30, 1984, and the results of its operations and the changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules and related information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the examination of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

September 25, 1984

FINANCIAL STATEMENT ANNUAL REPORT 1984

EXHIBIT A

INDIANA STATE TEACHERS' RETIREMENT FUND BALANCE SHEET

JUNE 30, 1984

ASSETS

Cash.....	\$ 801,572.59
Receivables:	
Employer Contributions Receivable.....	1,537,845.29
Member Deductions Receivable.....	11,669,885.43
Benefit Overpayments Receivable.....	2,467.60
Investment Interest Receivable.....	19,939,162.45
Mortgage Interest Receivable.....	9,201.29
Total Receivables	33,158,562.06
Investments:	
Bonds and Notes Investment (<i>Par Value</i>).....	906,563,150.45
Premium on Bonds and Notes.....	4,883,498.82
Discount on Bonds and Notes.....	(45,086,188.23)
Mortgages.....	1,704,703.63
Discount on Mortgages.....	(6,953.03)
Real Estate (<i>Cost</i>).....	260,000.00
Total Investments of Amortized Cost <i>(Market Value: \$772,093,645.32)</i>	868,318,211.64
Furniture and Equipment: (Original Cost: \$74,357.27;	
Net of \$70,686.32 Accumulated Depreciation)	3,670.95
Insurance Premium Paid in Advance	
Total Assets	\$ 902,282,048.49

LIABILITIES AND FUND BALANCE

Current Liabilities:

Indiana National Bank (<i>See Note 6</i>).....	\$ 670.72
Accrued Benefits Payable.....	11,364,324.75
Accrued Salaries (<i>See Note 7</i>).....	18,326.61
Accounts Payable.....	209,217.75
Total Current Liabilities	11,592,539.83

Fund Balance:

Member Reserves.....	599,477,468.80
Reserves for Benefits in Force.....	1,078,059,595.21
Employer Reserves.....	1,750,656,151.00
Undistributed Investment Income.....	35,434,947.65
Total Reserves	3,463,628,162.66
Unreserved Fund Balance (<i>See Note 4</i>).....	(2,572,938,654.00)
Total Fund Balance	890,689,508.66
Total Liabilities and Fund Balance	\$ 902,282,048.49

The accompanying notes are an integral part of the financial statements.

**FINANCIAL STATEMENT
ANNUAL REPORT 1984**

EXHIBIT B

**INDIANA STATE TEACHERS' RETIREMENT FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**

JULY 1, 1983 TO JUNE 30, 1984

	Total Fund Balance	Member Reserves	Reserves For Benefits In Force	Employer Reserves	Undistributed Investment Income	Unreserved Fund Balance
Operating Revenues:						
Member Contributions.....	\$ 41,848,195.24	\$ 41,847,901.85	\$	\$	\$ 293.39	\$
Employer Contributions.....	134,445,863.77	.....	134,445,863.77	.....	.....	.....
Annuity and Disability Refunds.....	351,097.01	.....	351,097.01	.....	.....	.....
Outdated Benefit Checks.....	12,595.10	.....	12,595.10	.....	.....	.....
Investment Income.....	89,783,883.57	.....	.....	.....	89,783,883.57	.....
Accumulation of Discounts on Investments.....	2,823,468.59	.....	.....	.....	2,823,468.59	.....
Reimbursement of Administrative Expenses.....	253.19	.....	253.19	.....	.....	.....
Interfund Transfer Received.....	670,301.40	.....	670,301.40	.....	.....	.....
Total Operating Revenues.....	269,935,657.87	41,847,901.85	135,480,110.47	.....	92,607,645.55	.....
Operating Expenses:						
Annuity and Disability Benefits.....	(134,083,922.57)	.....	(134,083,922.57)	.....	.....	.....
Voluntary and Death Withdrawals.....	(5,310,644.34)	(5,132,841.69)	.....	.....	(177,802.65)	.....
Refunds - Members/School Units.....	(14,765.79)	(14,284.67)	(481.12)	.....	.....	.....
Claims on Outdated Benefit Checks.....	(1,943.82)	.....	(1,943.82)	.....	.....	.....
Amortization of Premiums on Investments.....	(551,273.40)	.....	.....	.....	(551,273.40)	.....
Loss on Sale of Investments - Net.....	(2,303,944.55)	.....	.....	.....	(2,303,944.55)	.....
Investment Expenses.....	(539,559.14)	.....	.....	.....	(539,559.14)	.....
Administrative Expenses.....	(638,120.12)	.....	(638,120.12)	.....	.....	.....
Depreciation Expense.....	(3,124.17)	.....	(3,124.17)	.....	.....	.....
Interfund Transfer Made.....	(429,330.97)	(53,588.83)	(377,136.12)	.....	1,393.98	.....
Total Operating Expenses.....	(143,876,628.87)	(5,200,715.19)	(135,104,727.92)	.....	(3,571,185.76)	.....
Other Changes in Reserves:						
Approved Retirees.....	.....	(18,457,181.00)	18,432,185.25	.....	24,995.75	.....
Decreased Disability and Forfeiture by Law.....	.....	(44,758.42)	44,758.42	.....	.....	.....
Members Account Adjustment.....	.....	3,162.76	(2,885.10)	.....	(277.66)	.....
Interest Distribution - 10%.....	.....	49,623,717.54	21,539,127.46	.....	(71,162,845.00)	.....
Total Other Changes.....	.....	31,124,940.88	40,013,186.03	.....	(71,138,126.91)	.....
Net Fund Balance - Additions:						
(Exhibit C).....	126,059,029.00	67,772,127.54	40,388,568.58	.....	17,898,332.88	.....
Equipment Transferred to State						
Surplus: (Original Cost: (\$993.00; Net of \$863.32 Accumulated Depreciation).....	(129.68)	.....	(129.68)	.....	.....	.....
Increases in Actuarial Liabilities:						
Fund Balance - July 1, 1983.....	764,633,230.71	531,705,341.26	967,162,700.68	1,649,025,783.00	17,536,614.77	(2,400,797,209.00)
Prior Period of Adjustments (See Note 8).....	(2,621.37)	.....	(2,621.37)	.....	.....	.....
Adjusted Fund Balance -						
July 1, 1983.....	764,630,609.34	531,705,341.26	967,160,079.31	1,649,025,783.00	17,536,614.77	(2,400,797,209.00)
Fund Balance - June 30, 1984.....	\$ 890,689,508.66	\$ 599,477,468.80	\$ 1,078,059,595.21	\$ 1,750,656,151.00	\$ 35,434,947.65	\$ (2,572,938,654.00)

The accompanying notes are an integral part of the financial statements.

FINANCIAL STATEMENT ANNUAL REPORT 1984

EXHIBIT C

INDIANA STATE TEACHERS' RETIREMENT FUND STATEMENT OF CHANGES IN FINANCIAL POSITION

JULY 1, 1983 to JUNE 30, 1984

Sources of Working Capital:

Excess of Revenues Over Expenses (Exhibit B).....	\$ 126,059,029.00
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Items Not Requiring (Providing) Working Capital:

Accumulation of Discounts on Investments.....	(2,823,468.59)
Amortization of Premiums on Investments.....	551,273.40
Loss on Sale of Investments - Net.....	2,303,944.55
Depreciation	3,124.17

Working Capital Provided by Operations.....	126,093,902.53
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Investments Sold or Matured.....	1,004,231,723.07
----------------------------------	------------------

Total Sources of Working Capital.....	\$ 1,130,325,625.60
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Uses of Working Capital:

Purchase of Furniture and Equipment.....	\$ 861.30
Purchase of Investments.....	1,127,204,804.23

Total Uses of Working Capital.....	\$ 1,127,205,665.53
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Net Increase in Working Capital.....	\$ 3,119,960.07
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	June 30, 1984	June 30, 1983	Increase (Decrease)
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL			
Current Assets:			
Cash.....	\$ 801,572.59	\$ 1,283,569.50	\$ (481,996.91)
Employer Contributions Receivable.....	1,537,845.29	732,475.50	805,369.79
Member Deductions Receivable.....	11,669,885.43	11,588,238.75	81,646.68
Benefit Overpayments Receivable.....	2,467.60	3,092.34	(624.74)
Investment Interest Receivable.....	19,939,162.45	16,306,960.42	3,632,202.03
Mortgage Interest Receivable.....	9,201.29	7,975.25	1,226.04
Insurance Premium Paid in Advance.....	31.25	31.25	
Total Current Assets.....	33,960,165.90	29,922,343.01	
Current Liabilities:			
Indiana National Bank.....	(670.72)	(624.74)	(45.98)
Accrued Benefits Payable.....	(11,364,324.75)	(10,492,375.13)	(871,949.62)
Accrued Salaries.....	(18,326.61)	(15,287.97)	(3,038.64)
Accounts Payable.....	(209,217.75)	(166,389.17)	(42,828.58)
Total Current Liabilities.....	(11,592,539.83)	(10,674,677.01)	
Working Capital.....	\$ 22,367,626.07	\$ 19,247,666.00	\$ 3,119,960.07

The accompanying notes are an integral part of the financial statements.

FINANCIAL STATEMENT ANNUAL REPORT 1984

INDIANA STATE TEACHERS' RETIREMENT FUND NOTES TO FINANCIAL STATEMENTS

Note 1. Fund Description

The Indiana State Teachers' Retirement Fund was created by Acts of 1915, Chapter 182. The retirement fund was established for those persons who are engaged in teaching or in the supervision of teaching in the public schools of the state.

Note 2. Accounting Policies and Procedures

The accounting records of the fund are kept on a cash basis with adjustments made at the end of each fiscal year to convert to the accrual basis for financial statement presentation.

Note 3. Funding

The Indiana State Teachers' Retirement Fund is funded on a "pay as you go" basis. State appropriations are made for the amount of estimated pension benefit payouts for each fiscal year.

From the 10th Actuarial Valuation Report - June 30, 1983:

Employee Contributions (As a % of Payroll).....	3%
Actuarially Computed Required State Contributions (As a % of Payroll; For 40-Year Funding).....	13.45%

Note 4. Actuarial Valuation

Actuarial Valuation Reports were made by Gabriel, Roeder, Smith & Company. The interest assumption used in the survey was 7.5%.

Retirants and Beneficiaries computed liabilities as of June 30, 1983: (17th Actuarial Valuation Report issued on October 26, 1983).

Total Accrued Liability.....	\$ 1,042,729,584
Less: Annuity Reserves and Pension Reserves Available for Retired Lives.....	<u>220,447,081</u>

Unfunded Liability for Retirants and Beneficiaries.....	\$ 822,282,503
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Accrued Portions of age and service to be paid to present active and inactive members based on service rendered as of June 30, 1983 (10th Actuarial Valuation Report issued on April 19, 1984).

FINANCIAL STATEMENT ANNUAL REPORT 1984

INDIANA STATE TEACHERS' RETIREMENT FUND NOTES TO FINANCIAL STATEMENTS

(Continued)

Note 4. Actuarial Valuation (Continued)

Total Accrued Liability.....	\$ 1,750,656,151
Less: Funded Portions.....	—
 Net Unfunded Liability on Active and Inactive Members.....	 \$ 1,750,656,151
 Total Unfunded Amount.....	 \$ 2,572,938,654

Note 5. Net Assets Available for Benefits

Market Value of Investments.....	\$ 772,093,645.32
Other Assets.....	33,916,924.91
Less: Liabilities.....	(11,589,384.27)
 Net Assets Available for Benefits.....	 \$ 794,421,185.96

Note 6. Indiana National Bank

Checking account was overdrawn by the amount of \$670.72 due to the cashing of outdated benefit Check Number 0517552, dated October 1, 1980, during the month of June, 1984.

Note 7. Accrued Salaries

Unused vacation leave of agency fund employees amounting to \$30,527.50, as of June 30, 1984, was not included in the liability account.

Note 8. Prior Period Adjustment

An adjustment was made to correct the accrual of salaries payable from 1982 - 83 which did not include employees' share of FICA, insurance or retirement accruals.

**FINANCIAL STATEMENT
ANNUAL REPORT 1984**

**INDIANA STATE TEACHERS' RETIREMENT FUND
SCHEDULE OF ADMINISTRATIVE AND INVESTMENT EXPENSES**
FISCAL YEAR ENDING JUNE 30, 1984

Personal Services:

Trustees Per Diems.....	\$ 1,855.00
Staff Salaries.....	368,860.60
Social Security.....	25,005.48
Retirement.....	24,376.66
Insurance.....	27,248.56
Total Services.....	\$ 447,346.30

Professional & Technical Services:

Actuarial.....	\$ 22,636.00
Data Processing.....	36,982.77
Audit.....	6,448.45
Group Health Insurance Consultant.....	9,011.08
Investment Management.....	404,245.80
Investment Custodial (<i>Indiana National Bank</i>).....	86,591.33
Investment Performance Measurement (<i>Indiana National Bank</i>).....	4,000.00
Investment Monthly Transaction Tape (<i>Indiana National Bank</i>).....	2,154.00
Medical Examination.....	1,420.00
Total Professional & Technical Services.....	\$ 573,489.43

Communication:

Printing	\$ 15,809.37
Telephone.....	10,012.07
Postage	74,234.66
Travel	3,518.34
Total Communication.....	\$ 103,574.44

Rentals:

Equipment Leasing.....	\$ 2,414.50
Total Rentals.....	\$ 2,414.50

Miscellaneous:

Unemployment Compensation.....	\$ 2,143.00
Medical - Compensation Cases.....	108.45
Membership & Training.....	361.25
Supplies.....	2,642.49
Maintenance.....	2,095.20
Bonding	683.00
Checking Account Charges (<i>Indiana National Bank</i>).....	39,379.00
Investment Other Charges.....	3,189.01
Depreciation	3,124.17
Total Miscellaneous.....	\$ 53,725.57

Total Administrative and Investment Expenses.....

\$ 1,180,550.24

STATISTICAL TABLE
ANNUAL REPORT 1984

INDIANA STATE TEACHERS' RETIREMENT FUND
BALANCE SHEET ASSETS

June 30	Cash	Receivables	Investments	Other Assets	Total
1980	\$ 9,006,759.	\$ 17,411,625.	\$ 496,201,838.	\$ 4,892.	\$ 522,625,114.
1981	9,919,324.	22,017,077.	558,391,446.	11,705.	590,339,552.
1982	607,272.	25,606,256.	655,739,952.	8,801.	681,962,281.
1983	1,283,569.	28,638,742.	745,376,880.	6,095.	775,305,286.
1984	801,572.	33,158,562.	868,318,212.	3,702.	902,282,048.

BALANCE SHEET LIABILITIES AND FUND BALANCE

June 30	Accrued Benefits Payable	Accounts Payable	Other Liabilities	Fund Balance	Total
1980	\$ 8,059,244.	\$ 104,554.	\$ 10,085,879.	\$ 504,375,437.	\$ 522,625,114.
1981	8,332,853.	84,940.	1,132,638.	580,789,121.	590,339,552.
1982	8,299,838.	77,953.	1,655,113.	671,929,377.	681,962,281.
1983	10,492,375.	166,389.	13,291.	764,633,231.	775,305,286.
1984	11,364,325.	209,218.	18,997.	890,689,508.	902,282,048.

**STATISTICAL TABLE
ANNUAL REPORT 1984**

**INDIANA STATE TEACHERS' RETIREMENT FUND
OPERATING REVENUES AND EXPENSES**

FISCAL YEAR ENDING June 30

Operating Revenues	1984	1983	1982	1981	1980
Member Contributions.....	\$ 41,848,195	\$ 39,229,831	\$ 37,265,746	\$ 35,804,921	\$ 32,678,916
Employer Contributions.....	134,445,864	95,710,769	118,107,904	110,458,921	97,529,658
Annuity and Disability Refunds.....	351,097	334,219	320,579	332,733	313,575
Investment Income.....	89,783,884	80,538,889	71,675,080	54,186,172	45,312,912**
Accumulation of Discounts on Investments.	2,823,469	2,647,067	2,202,066	2,547,528	-0-
Gain on Sale of Investments — Net.....	-0-	6,942,660	-0-	-0-	-0-
Reimbursement of Administrative Expenses	253	103	151	12	-0-
Outdated Benefit Checks.....	12,595	90,507	-0-	-0-	-0-
Interfund Transfers Received.....	670,301	182,102	522,298	218,499	334,934
Total Operating Revenues	\$ 269,935,658	\$ 225,676,147	\$ 230,093,824	\$ 203,548,786	\$ 176,169,995

Operating Expenses	1984	1983	1982	1981	1980
Annuity and Disability Benefits	\$ 134,083,923	\$ 124,916,140*	\$ 116,181,199	\$ 110,225,525	\$ 99,257,609
Voluntary and Death Withdrawals	5,310,644	6,256,435	7,675,957	4,884,687	5,670,103
Refunds — Members / School Units.....	14,766	24,933	13,837	14,991	18,117
Amortization of Premiums on Investments ..	551,273	364,455	180,312	149,035	-0-
Loss on Sale of Investments — Net	2,303,945	-0-	13,504,480	10,134,588	10,404,680
Investment Expenses.....	539,559	482,685	323,541	348,084	316,186
Administrative Expenses.....	638,120	602,790	626,619	615,106	561,565
Depreciation Expense	3,124	3,417	3,685	3,566	-0-
Outdated Benefit Checks Claimed	1,944	-0-	-0-	-0-	-0-
Interfund Transfers Made	429,331	321,439	443,938	764,800	247,237
Total Operating Expenses	\$ 143,876,629	\$ 132,972,294	\$ 138,953,568	\$ 127,140,382	\$ 116,475,497

* Includes Settlement of Lawsuit amounting to \$ 1,178,479

** Net After Accumulation of Discounts and Amortization of Premiums on Investments

Interest Rate of Distribution (I.C. 5-10.2-2-4)	10%	9%	9%	9%	8%

STATISTICAL TABLE
ANNUAL REPORT 1984

INDIANA STATE TEACHERS' RETIREMENT FUND
PERIODIC BENEFIT RECIPIENTS
FISCAL YEAR ENDING JUNE 30

Type of Payment	1984	1983	1982	1981	1980
Retirement (Including Survivorship).....	23,684	23,253	22,911	22,420	21,936
Disability.....	344	353	363	357	348

NUMBER OF RETIREES RECEIVING BENEFITS
FISCAL YEAR ENDING JUNE 30

Gross Benefit Amount	1984	1983	1982	1981	1980
Less Than \$ 100.01.....	557	640	685	704	857
Less Than 200.01.....	2,949	3,166	3,444	3,506	4,044
Less Than 300.01.....	3,841	4,155	4,340	4,397	4,712
Less Than 400.01.....	3,849	3,941	3,986	3,966	4,027
Less Than 500.01.....	3,447	3,440	3,475	3,428	3,314
Less Than 600.01.....	2,916	2,859	2,759	2,631	2,242
Less Than 700.01.....	2,281	2,062	1,895	1,777	1,433
Less Than 800.01.....	1,631	1,360	1,121	1,006	722
Less Than 900.01.....	928	760	608	526	315
Less Than 1,000.01.....	574	433	320	263	155
Less Than 1,100.01.....	340	212	147	119	58
Less Than 1,200.01.....	169	108	67	48	23
More Than 1,200.01.....	202	117	64	49	34
Total Receiving Benefits.....	23,684	23,253	22,911	22,420	21,936

NUMBER OF APPROVED BENEFIT PAYMENTS
FISCAL YEAR ENDING JUNE 30

Type of Payment	1984	1983	1982	1981	1980
Retirement (Including Survivorship).....	1,126	1,044	1,178	1,113	1,099
Disability.....	20	29	30	31	36
Voluntary Withdrawals.....	2,093	2,831	3,584	2,428	3,200
Death Withdrawals.....	85	82	73	59	75

STATISTICAL TABLE
ANNUAL REPORT 1984

Distribution By Service As Of June 30, 1984 - Active

		<u>Total Members</u>
0-4		8,343
5-9		14,189
10-14		14,383
15-19		9,432
20-24		6,367
25-29		3,939
30-34		2,504
35 UP	 0	763
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<u>59,920</u>

Distribution By Service As Of June 30, 1984 - Inactive

		<u>Total Members</u>
0-4		17,027
5-9		4,092
10-14		1,537
15-19		586
20-24		192
25-29	 Females  17,837	56
30-34	 Males  5,680	19
35 UP	 0	8
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<u>23,517</u>

STATISTICAL TABLE
ANNUAL REPORT 1984

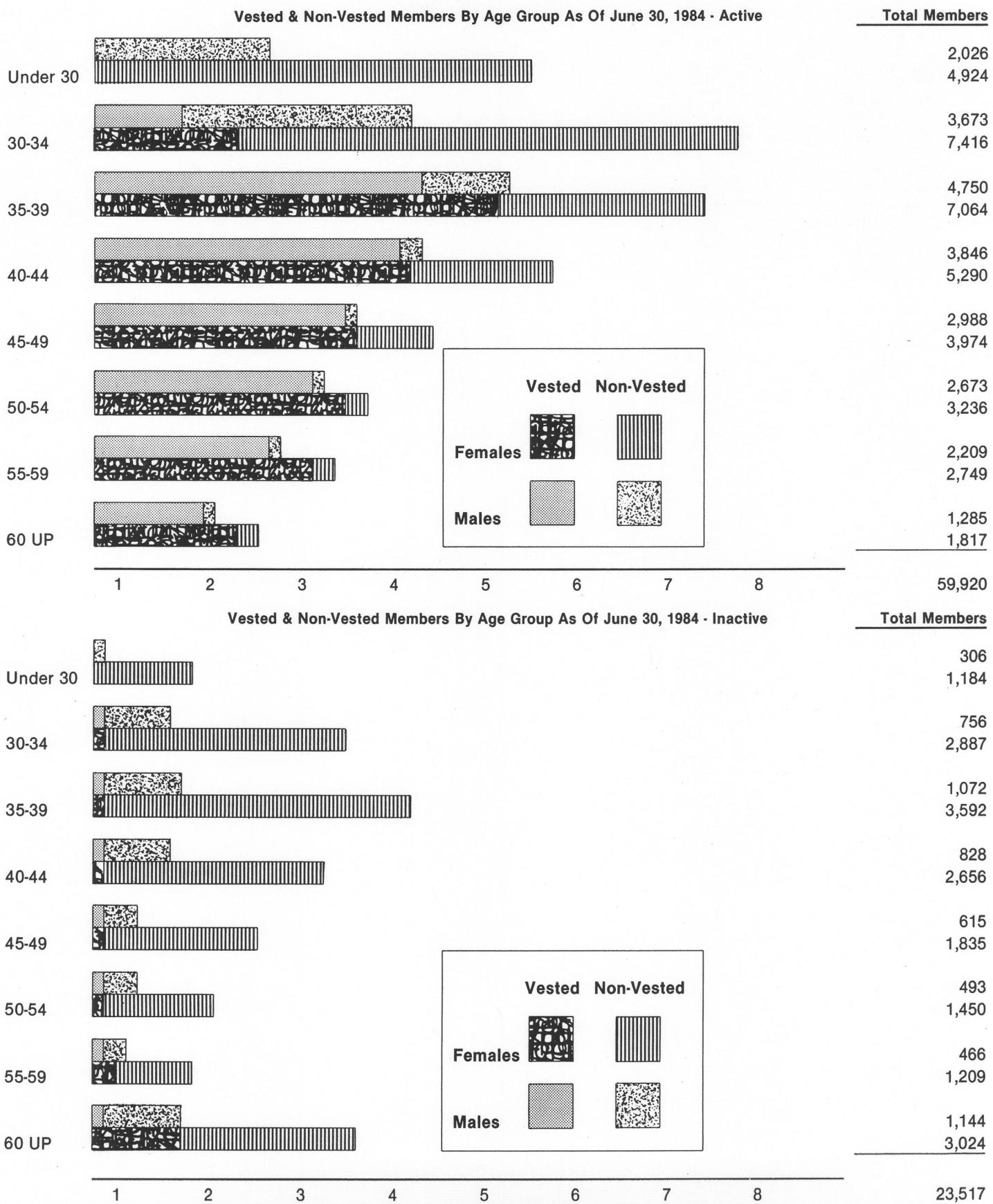
Distribution By Age As Of June 30, 1984 - Active

		Total Members
20-24		673
25-29		6,277
30-34		11,089
35-39		11,814
40-44		9,136
45-49		6,962
50-54		5,909
55-59		4,958
60-64		2,578
65-69		484
70 UP		40
	Females  36,470 Males  23,250	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	59,920

Distribution By Age As Of June 30, 1984 - Inactive

		Total Members
20-24		30
25-29		1,460
30-34		3,643
35-39		4,664
40-44		3,484
45-49		2,450
50-54		1,943
55-59		1,675
60-64		1,355
65-69		1,025
70 UP		1,788
	Females  17,837 Males  5,680	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	23,517

STATISTICAL TABLE
ANNUAL REPORT 1984



**INVESTMENT SUMMARY
ANNUAL REPORT 1984**

**INDIANA STATE TEACHERS' RETIREMENT FUND
INVESTMENTS**

FISCAL YEAR ENDING JUNE 30, 1984

	Par Value	Book Value	Market Value
Alliance Capital.....	178,539,285.49	161,088,790.54	133,442,808.16
AFNB.....	188,753,398.63	185,866,938.99	162,388,949.50
Bank of New York.....	170,352,366.59	163,214,986.67	143,281,759.46
Baxter & Hoops.....	65,858,300.00	65,695,724.75	64,488,020.00
INB.....	203,769,999.78	191,706,929.50	170,507,102.59
INB - Main.....	99,289,800.00	98,787,090.59	95,978,455.01
Total Bonds.....	906,563,150.45	866,360,461.04	770,086,094.72
 Treasuries.....	 267,575,000.00	 266,908,540.10	 245,555,283.25
Agencies.....	239,475,950.45	234,014,937.57	195,264,177.88
Finance.....	31,600,000.00	30,073,264.96	27,353,303.00
Industrials.....	150,830,000.00	126,856,548.96	110,242,312.70
Utilities.....	84,725,000.00	76,771,129.76	61,833,841.50
Transportation.....	5,000,000.00	4,973,096.32	4,497,670.00
Municipal.....	2,000,000.00	2,047,894.17	1,845,340.00
Guaranteed Insurance Contracts.....	16,000,000.00	16,000,000.00	16,000,000.00
Foreign.....	6,500,000.00	6,503,112.81	5,265,310.00
Certificates of Deposit.....	7,000,000.00	7,000,000.00	7,016,920.00
Commercial Paper.....	40,504,000.00	40,144,982.23	40,144,982.23
Bank Acceptances.....	12,000,000.00	11,713,754.16	11,713,754.16
Repurchase Agreements.....	43,353,200.00	43,353,200.00	43,353,200.00
Total Bonds.....	906,563,150.45	866,360,461.04	770,086,094.72
 Mortgages.....	 1,704,703.63	 1,697,750.60	 1,697,750.60
Real Estate.....	260,000.00	260,000.00	309,800.00
Total Investments.....	908,527,854.08	868,318,211.64	772,093,645.32

**INVESTMENT SUMMARY
ANNUAL REPORT 1984**

**INDIANA STATE TEACHERS' RETIREMENT FUND
TREASURY OBLIGATIONS**

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
US Treasury Bonds.....	8.375%	8/15/2000	8,950,000.00	7,190,955.05	5,839,875.00
	9.125%	5/15/2009	4,950,000.00	3,704,309.84	3,338,131.50
	11.75%	2/15/2010	4,500,000.00	4,655,246.69	3,858,750.00
	12.75%	11/15/2010	13,500,000.00	15,487,948.62	12,538,125.00
	120.00%	8/15/2013	12,000,000.00	12,106,774.59	10,492,440.00
	8.50%	5/15/1999	4,500,000.00	4,630,795.09	3,026,250.00
	9.00%	2/15/1994	5,000,000.00	4,996,382.97	3,734,350.00
	11.125%	8/15/2003	2,500,000.00	2,378,190.34	2,046,875.00
	11.875%	11/15/2003	10,000,000.00	9,922,794.37	8,718,700.00
US Treasury Notes.....	11.75%	11/15/1993	4,775,000.00	4,800,360.46	4,246,741.75
	12.375%	4/15/1991	3,500,000.00	3,419,879.17	3,283,420.00
	12.125%	9/30/1984	3,000,000.00	3,009,764.03	3,009,360.00
	10.875%	2/15/1993	8,000,000.00	7,860,561.69	6,820,000.00
	9.875%	5/31/1985	2,000,000.00	1,997,304.69	1,960,000.00
	10.75%	7/15/1990	1,000,000.00	989,946.40	876,250.00
	10.625%	8/31/1985	1,500,000.00	1,498,935.30	1,468,590.00
	11.125%	9/30/1987	1,500,000.00	1,497,859.05	1,410,465.00
	10.50%	11/30/1985	2,000,000.00	1,994,561.71	1,943,740.00
	10.875%	2/28/1986	2,000,000.00	1,989,911.07	1,941,240.00
	11.75%	4/30/1986	5,000,000.00	4,999,713.40	4,889,050.00
	9.00%	2/15/1987	9,000,000.00	8,700,297.71	8,170,290.00
	13.75%	5/15/1992	16,900,000.00	18,087,966.12	16,815,500.00
	11.50%	3/31/1986	5,000,000.00	5,009,998.01	4,879,700.00
	13.125%	8/15/1985	5,000,000.00	5,011,880.94	5,026,550.00
	11.375%	8/15/1986	24,000,000.00	24,037,730.37	23,242,560.00
	10.875%	2/15/1987	3,000,000.00	2,991,666.67	2,843,430.00
	8.25%	5/15/1988	5,000,000.00	4,814,505.23	4,234,350.00
	16.00%	11/15/1984	2,000,000.00	2,027,882.60	2,033,740.00
	12.75%	2/15/1987	5,000,000.00	4,951,294.05	4,939,050.00
	11.875%	10/15/1989	5,000,000.00	5,006,810.58	4,656,250.00
	11.75%	11/15/1988	5,000,000.00	5,011,231.23	4,693,750.00
	11.50%	10/15/1990	3,500,000.00	3,446,266.36	3,167,500.00
	11.00%	11/15/1986	6,000,000.00	5,998,443.31	5,741,220.00
	11.375%	2/15/1989	10,000,000.00	9,947,769.58	9,225,000.00
	12.50%	5/15/1987	15,000,000.00	14,989,670.93	14,681,250.00
	9.75%	10/31/1984	6,000,000.00	6,006,240.55	5,977,500.00
	10.125%	2/15/1988	10,000,000.00	9,824,729.60	9,037,500.00
	10.00%	12/31/1986	10,000,000.00	9,890,006.00	9,328,100.00
	10.25%	3/31/1987	10,000,000.00	9,915,528.19	9,296,900.00
	12.625%	5/31/1986	4,000,000.00	4,001,875.00	3,962,480.00
	14.125%	5/15/1985	3,000,000.00	3,020,530.56	3,044,070.00
	14.375%	6/30/1984	1,000,000.00	996,010.17	1,000,000.00
	14.875%	6/30/1986	4,000,000.00	4,097,011.81	4,116,240.00
Totals.....			267,575,000.00	266,908,540.10	245,555,283.25

**INVESTMENT SUMMARY
ANNUAL REPORT 1984**

**INDIANA STATE TEACHERS' RETIREMENT FUND
GOVERNMENT AGENCIES**

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
GNMA # 38629.....	11.00%	1/15/2010	943,083.70	895,736.88	771,263.28
39939.....	11.00%	8/15/2010	892,104.97	845,140.35	729,572.36
41231.....	11.00%	8/15/2010	43,838.60	41,531.85	35,851.64
43029.....	11.00%	8/15/2010	969,859.05	921,198.14	793,160.42
43214.....	11.00%	8/15/2010	940,299.73	893,090.20	768,986.52
44474.....	11.50%	11/15/2010	1,750,597.60	1,713,239.11	1,472,147.54
50837.....	11.00%	9/15/2010	984,160.03	932,366.60	804,855.91
56682.....	11.50%	3/15/2013	994,188.88	978,663.77	836,053.19
58871.....	11.50%	6/15/2013	1,968,814.64	1,895,281.02	1,655,654.98
59071.....	11.50%	2/15/2013	970,457.47	955,309.51	816,096.50
59338.....	11.50%	2/15/2013	986,596.23	970,867.38	829,668.23
59910.....	11.50%	5/15/2013	396,774.58	381,956.76	333,663.61
59937.....	11.00%	6/15/2013	2,988,064.74	2,837,267.38	2,443,669.22
61216.....	11.50%	1/15/2013	487,380.33	479,771.19	409,857.61
61825.....	11.50%	1/15/2013	3,965,269.75	3,880,265.90	3,334,553.94
62928.....	11.50%	2/15/2013	958,833.05	943,861.81	806,321.06
66459.....	11.00%	5/15/2013	398,146.45	377,099.96	325,608.14
68339.....	11.00%	6/15/2013	992,815.65	942,712.44	811,934.56
64896.....	11.25%	4/15/1998	936.50	931.13	827.01
90100.....	9.50%	10/15/2009	987,759.17	963,621.79	727,395.73
90229.....	9.50%	8/15/2009	2,927,554.95	2,856,683.26	2,155,880.74
90425.....	9.50%	10/15/2009	1,004,757.30	980,060.19	739,913.32
90457.....	9.50%	9/15/2009	1,002,365.28	977,579.45	738,151.81
90720.....	9.50%	8/15/2009	1,962,755.78	1,895,234.46	1,445,392.98
90926.....	9.50%	8/15/2009	1,062,828.96	1,036,532.72	782,677.87
91166.....	9.50%	9/15/2009	979,940.76	956,095.24	721,638.17
14399.....	8.00%	12/15/2006	1,427,261.71	1,332,501.74	957,164.52
17873.....	8.00%	8/15/2007	866,313.22	861,339.10	580,975.63
18077.....	8.00%	7/15/2007	647,624.00	601,841.99	434,316.08
18491.....	8.00%	8/15/2007	844,440.23	839,187.51	566,306.95
18802.....	8.00%	8/15/2007	911,041.78	906,729.31	610,971.94
19795.....	8.00%	9/15/2007	648,664.23	644,626.28	435,013.69
20066.....	8.00%	9/15/2007	820,931.17	782,475.18	550,541.07
20201.....	8.00%	9/15/2007	854,401.38	793,829.67	572,987.19
20267.....	8.00%	11/15/2007	830,449.02	791,228.57	556,924.02
33363.....	9.50%	8/15/2009	2,849,263.56	2,714,180.11	2,098,226.17
34963.....	9.50%	9/15/2009	3,592,542.11	3,422,240.50	2,645,583.93
34964.....	9.50%	9/15/2009	2,663,402.12	2,537,083.15	1,961,355.95
57722.....	11.50%	1/15/2013	994,615.33	925,933.20	836,411.81
60249.....	11.50%	1/15/2013	994,368.19	923,009.39	836,203.98
26786.....	9.00%	9/15/2008	1,747,476.55	1,745,785.97	1,240,987.94
30398.....	9.00%	6/15/2009	901,958.96	861,839.96	640,535.17
31631.....	9.00%	5/15/2009	739,664.27	707,554.63	525,279.97
Federal Home Loan Banks.....	10.90%	12/26/1990	2,000,000.00	1,938,584.32	1,742,500.00
	11.70%	7/26/1993	3,000,000.00	2,977,858.15	2,630,610.00
	11.70%	4/27/1992	1,000,000.00	990,063.80	889,370.00

**INVESTMENT SUMMARY
ANNUAL REPORT 1984**

**INDIANA STATE TEACHERS' RETIREMENT FUND
GOVERNMENT AGENCIES**

(continued)

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
Federal Home Loan Mortgage.....	8.55%	3/15/1996	2,788,700.00	2,804,880.86	2,271,033.61
FHLMC # 17-018.....	8.50%	2/01/2008	1,416,870.60	1,370,938.36	1,011,730.62
16-038.....	8.50%	2/01/2008	1,395,159.60	1,349,935.00	996,227.66
17-018.....	8.50%	2/01/2008	1,416,870.60	1,346,995.11	1,011,730.62
16-038.....	8.50%	2/01/2008	837,095.76	782,443.63	597,736.59
161038.....	8.50%	2/01/2008	3,487,899.00	3,393,317.05	2,490,569.15
16-045.....	8.75%	5/01/2008	2,207,751.30	2,165,658.31	1,602,694.97
16-040.....	8.75%	3/01/2008	5,012,853.30	4,915,391.70	3,639,030.72
17-019.....	8.50%	2/01/2008	2,030,442.30	1,977,325.75	1,449,857.62
16-046.....	8.75%	5/01/2008	7,393,337.00	7,229,763.84	5,367,119.06
16-040.....	8.75%	3/01/2008	2,148,365.70	2,100,800.22	1,559,584.59
16-045.....	8.75%	5/01/2008	5,151,419.70	5,039,977.98	3,739,621.61
16-1028.....	8.25%	10/01/2007	9,196,739.55	9,142,465.65	6,457,766.56
16-016.....	8.50%	8/01/2006	620,764.43	598,474.83	443,263.04
16-1-023.....	8.00%	5/01/2007	2,393,216.80	2,349,459.19	1,664,027.57
16-000000-024.....	8.00%	6/01/2007	897,758.25	865,896.16	624,200.28
16-1-026.....	8.00%	9/01/2007	593,669.10	583,703.15	412,784.06
16-1-027.....	8.25%	9/01/2007	928,984.35	925,529.46	652,314.23
16-031.....	8.25%	11/01/2007	1,332,885.00	1,279,938.56	935,925.18
16-033.....	8.25%	12/01/2007	678,613.70	651,641.33	476,508.96
16034.....	8.50%	12/01/2007	692,961.20	647,770.08	494,815.87
16035.....	8.50%	12/01/2007	751,739.45	702,725.08	536,787.07
16-036.....	8.50%	1/01/2008	660,742.80	643,304.09	471,810.00
17019.....	8.50%	2/01/2008	1,703,340.00	1,657,130.59	1,216,286.96
16-039.....	8.50%	3/01/2008	2,092,368.30	2,037,564.58	1,494,076.50
16-043.....	8.75%	4/01/2008	3,581,470.50	3,517,670.11	2,599,932.69
16-044.....	8.50%	5/01/2008	2,229,990.30	2,157,531.51	1,592,346.87
16054.....	9.25%	7/01/2008	4,252,424.55	3,806,176.83	3,161,379.98
16090.....	10.75%	10/01/2009	849,991.30	837,213.86	658,879.25
17-016.....	8.00%	6/01/2007	112,857.44	108,904.45	78,470.90
16-048.....	9.00%	6/01/2008	4,704,555.04	4,516,064.23	3,450,461.80
16050.....	9.00%	6/01/2008	759,502.50	750,138.54	557,041.91
16059.....	9.00%	9/01/2008	3,959,591.00	3,902,698.58	2,904,082.82
Federal Home Loan Mortgage.....	11.875%	6/15/2013	12,000,000.00	11,912,704.63	9,960,000.00
	11.85%	8/20/1991	6,000,000.00	6,000,000.00	5,396,220.00
	9.875%	3/15/2009	4,617,000.00	4,252,147.81	3,858,057.54
	10.00%	9/15/2009	5,305,500.00	4,876,756.91	4,459,909.41
	12.45%	9/15/2009	3,013,000.00	3,013,000.00	2,770,061.81
Federal Home Loan Bank.....	10.80%	3/25/1993	2,000,000.00	2,000,000.00	1,668,740.00
Federal National Mortgage Association....	10.875%	4/12/1993	1,000,000.00	1,000,000.00	833,120.00
	10.30%	2/10/1988	3,750,000.00	3,732,441.84	3,379,687.50
	10.75%	5/10/1993*	1,000,000.00	1,001,933.21	826,870.00
	11.55%	1/11/1988	1,000,000.00	999,719.92	939,060.00
	11.25%	3/10/1987	1,000,000.00	998,131.06	950,000.00
	12.10%	3/10/1989	2,000,000.00	2,000,000.00	1,877,500.00
Federal Farm Credit Banks.....	10.60%	10/21/1991	2,000,000.00	2,001,347.61	1,690,620.00
	11.65%	1/23/1989	1,000,000.00	1,000,000.00	926,250.00
	10.85%	4/21/1986	2,000,000.00	2,000,000.00	1,922,250.00
	11.45%	3/02/1987	1,000,000.00	1,000,000.00	956,870.00
		7/02/1984	10,000,000.00	9,835,833.33	10,000,000.00
		7/30/1984	3,000,000.00	2,927,033.34	2,982,510.00
		7/23/1984	6,000,000.00	5,913,766.67	5,973,180.00
	10.35%	7/20/1984	9,000,000.00	8,924,960.50	8,964,990.00

**INVESTMENT SUMMARY
ANNUAL REPORT 1984**

**INDIANA STATE TEACHERS' RETIREMENT FUND
GOVERNMENT AGENCIES**

(continued)

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
Federal Aviation Administration.....	8.875%	4/01/1986	1,539,918.05	1,539,918.05	1,414,722.70
Student Loan Marketing.....	10.10%	1/01/1988	3,000,000.00	3,000,704.14	2,697,180.00
	10.90%	2/28/1990	4,350,000.00	4,353,265.15	3,822,562.50
Guaranteed Mortgage Corporation.....	12.125%	4/01/1996	2,000,000.00	1,990,341.38	1,812,500.00
International Mortgage Acceptance.....	12.25%	9/01/2001	2,000,000.00	1,901,433.17	1,772,500.00
Private Export Funding Corporation.....	10.25%	5/31/1988	2,000,000.00	2,000,000.00	1,798,820.00
Travelers Mortgage Secondary Corporation	12.00%	9/01/2000	2,000,000.00	1,899,054.71	1,752,500.00
Int'l Bank for Reconstruction & Development	9.35%	12/15/2000	2,725,000.00	2,859,861.96	1,910,960.75
Private Export Funding Corporation.....	10.25%	5/31/1988	2,800,000.00	2,800,055.43	2,518,068.00
	14.125%	6/01/1991	2,200,000.00	2,226,104.06	2,205,236.00
Totals.....			239,475,950.45	234,014,937.77	195,264,177.88

FINANCE

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
Bank America Corporation.....	8.35%	5/15/2007	1,000,000.00	747,435.22	594,780.00
Chemical New York.....	8.40%	4/15/1999	1,000,000.00	910,514.62	640,880.00
Citicorp	8.45%	3/15/2007	1,000,000.00	752,431.94	608,670.00
Citicorp	8.125%	7/01/2007	2,100,000.00	1,603,344.27	1,230,978.00
Beneficial Corporation.....	11.50%	12/15/1984	2,000,000.00	1,895,843.73	1,998,360.00
General Motors Acceptance Corporation...	13.50%	4/17/1985	2,000,000.00	2,000,021.67	2,013,000.00
Beneficial Corporation.....	8.40%	5/15/2008	2,000,000.00	1,997,045.88	1,811,480.00
Chase Manhattan Bank.....	11.125%	5/28/1996	2,000,000.00	1,992,109.68	2,000,000.00
Citicorp	10.875%	6/15/2010	2,000,000.00	1,946,904.62	1,507,000.00
Manufacturers Hanover.....	8.50%	6/01/1985	2,000,000.00	2,020,669.91	1,923,260.00
Norwest Mortgage.....	12.275%	7/01/2002	2,000,000.00	1,951,347.06	1,790,000.00
Paine Webber.....	12.25%	12/01/1998	2,000,000.00	2,000,000.00	1,827,500.00
Ryan Mortgage.....	12.125%	11/01/1996	2,000,000.00	1,978,649.97	1,780,000.00
Wells Fargo.....	9.55%	7/01/1985	2,000,000.00	1,999,062.58	1,932,400.00
Commercial Federal Savings & Loan.....	11.20%	12/15/1989	2,000,000.00	2,000,044.58	1,770,360.00
General Motors Acceptance Corporation...	9.40%	7/15/2004	2,000,000.00	1,777,839.23	1,379,660.00
Sears Roebuck Acceptance Corporation....	14.55%	9/2/1985	2,500,000.00	2,500,000.00	2,544,975.00
Totals.....			31,600,000.00	30,073,264.96	27,353,303.00

**INVESTMENT SUMMARY
ANNUAL REPORT 1984**

**INDIANA STATE TEACHERS' RETIREMENT FUND
INDUSTRIALS**

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
American Can Company.....	11.375%	7/01/2010	2,000,000.00	1,989,044.12	1,522,840.00
American Medical.....	12.875%	1/15/2014	3,000,000.00	2,981,458.83	2,634,960.00
Beatrice Company.....	8.50%	8/15/2008	1,000,000.00	963,311.76	628,520.00
Conoco, Incorporated.....	13.25%	1/15/2011	2,000,000.00	2,000,000.00	1,819,460.00
Dayton - Hudson Corporation.....	10.75%	5/01/2013	2,000,000.00	1,906,027.51	1,518,040.00
IE Dupont De Nemours.....	14.00%	2/01/1991	2,000,000.00	2,152,463.76	1,994,580.00
Eaton Corporation.....	7.00%	4/01/2011	3,000,000.00	1,601,209.80	1,443,420.00
Engelhard Minerals.....	11.75%	8/01/2005	2,000,000.00	1,991,594.33	1,643,800.00
Federated Department Stores.....	10.25%	6/15/2010	2,000,000.00	2,020,524.37	1,459,460.00
W R Grace & Company.....	11.75%	5/01/2008	2,280,000.00	2,081,743.66	1,805,281.20
Honeywell Incorporated.....	14.125%	2/01/2011	4,000,000.00	4,160,450.18	3,809,040.00
ICI North America Incorporated.....	8.875%	1/15/2003	1,000,000.00	951,002.01	651,730.00
Kerr - McGee Corporation.....	7.00%	11/01/2011	4,250,000.00	2,399,084.00	2,049,562.50
J Ray McDermott & Company.....	9.625%	3/15/2004	1,500,000.00	1,153,752.00	1,037,535.00
Monsanto Company.....	8.75%	5/15/2008	2,000,000.00	1,726,281.45	1,284,280.00
National Steel Corporation.....	8.375%	8/01/2006	1,000,000.00	1,010,210.73	555,470.00
Phillips Petroleum.....	8.875%	11/15/2000	2,000,000.00	1,551,155.40	1,357,020.00
Richardson Merrell Incorporated.....	8.85%	12/15/1999	2,000,000.00	1,510,632.88	1,340,460.00
Sears Roebuck & Company.....	8.00%	4/01/2006	2,000,000.00	1,564,808.66	1,201,100.00
Shell Oil Company.....	8.00%	4/15/2007	2,800,000.00	1,921,309.51	1,678,124.00
Signal Companies Incorporated.....	11.75%	7/15/2005	2,000,000.00	2,000,000.00	1,632,960.00
Standard Oil, California.....	8.75%	7/01/2005	2,000,000.00	1,822,595.41	1,307,740.00
Standard Oil, Indiana.....	7.875%	8/01/2007	1,000,000.00	997,092.48	594,760.00
Standard Oil, Ohio.....	10.875%	5/01/2013	2,000,000.00	1,851,028.15	1,524,580.00
Tenneco, Incorporated.....	6.00%	12/15/2011	3,000,000.00	1,619,913.21	1,259,700.00
Tenneco, Incorporated.....	11.125%	5/15/2013	2,000,000.00	1,698,669.70	1,516,540.00
Texaco, Incorporated.....	8.50%	4/01/2006	2,000,000.00	1,675,020.33	1,251,140.00
Union Carbide Corporation.....	8.50%	1/15/2005	3,000,000.00	2,162,862.32	1,862,370.00
United Technologies Corporation.....	11.25%	11/15/2012	1,500,000.00	1,317,759.65	1,182,300.00
Westvaco Corporation.....	12.125%	11/01/2012	2,000,000.00	1,840,659.90	1,693,660.00
International Paper Corporation.....	14.50%	1/02/1986	1,000,000.00	1,000,000.00	1,011,590.00
Atlantic Richfield.....	11.375%	5/01/2010	2,000,000.00	1,897,260.60	1,624,900.00
Borden, Incorporated.....	9.375%	6/15/2009	2,000,000.00	1,730,670.76	1,361,840.00
Conoco, Incorporated.....	9.375%	4/01/2009	2,000,000.00	1,437,745.80	1,367,360.00
Pembroke Capital Incorporated.....	14.00%	6/01/1991	4,000,000.00	4,005,304.67	3,968,880.00
Philip Morris, Incorporated.....	6.00%	11/15/1999	3,000,000.00	1,647,608.86	1,443,600.00
Phillips Petroleum.....	12.25%	10/15/2012	2,000,000.00	2,000,000.00	1,710,760.00
Revlon Incorporated.....	10.875%	7/15/2010	2,000,000.00	1,624,629.26	1,534,100.00
St. Regis Corporation.....	10.00%	6/15/2090	2,000,000.00	1,992,517.89	1,673,060.00
Shell Oil Company.....	14.25%	6/15/2011	2,000,000.00	2,000,000.00	1,953,120.00
Sun Incorporated.....	13.40%	8/15/2007	2,000,000.00	2,028,492.74	1,870,440.00
Texas Instruments.....	12.70%	2/01/2005	2,000,000.00	2,039,171.36	1,742,560.00
Texas Oil & Gas Corporation.....	11.50%	11/01/2002	2,000,000.00	1,982,215.49	1,634,060.00
Time Mirror Incorporated.....	9.625%	9/15/1986	2,000,000.00	1,997,947.26	1,854,200.00
Union Camp Corporation.....	10.875%	7/01/2010	2,000,000.00	1,620,824.43	1,542,740.00
Union Carbide Corporation.....	14.50%	12/01/1991	2,000,000.00	1,985,157.87	2,019,740.00
United Technologies.....	9.00%	4/15/1985	2,000,000.00	1,999,402.96	1,948,580.00
Upjohn Company.....	10.65%	7/15/1990	2,000,000.00	1,917,363.46	1,732,640.00
Associated Drygoods Corporation.....	11.25%	11/01/1987	2,000,000.00	2,000,000.00	1,862,140.00
Baker International Corporation.....	6.00%	3/15/2002	4,000,000.00	2,032,436.80	1,824,600.00
IE DuPont De Nemours Company.....	6.00%	12/01/2001	4,000,000.00	2,141,070.13	1,889,000.00
General Foods Corporation.....	6.00%	6/15/2001	4,000,000.00	2,104,478.31	1,909,880.00

**INVESTMENT SUMMARY
ANNUAL REPORT 1984**

**INDIANA STATE TEACHERS' RETIREMENT FUND
INDUSTRIALS**

(continued)

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
K - Mart Notes.....	9.875%	7/15/1985	2,000,000.00	1,997,111.31	1,940,740.00
Kerr McGee Corporation.....	8.50%	6/01/2006	1,000,000.00	1,029,712.04	627,370.00
Marathon Oil Company.....	10.25%	7/15/1987	2,000,000.00	2,000,000.00	1,819,120.00
Owens Illinois.....	10.375%	6/01/1990	2,000,000.00	2,007,074.79	1,703,860.00
J C Penney Company.....	6.00%	5/01/2006	4,000,000.00	1,873,700.06	1,758,880.00
J C Penney Company.....	13.75%	6/15/1991	1,000,000.00	997,500.00	986,080.00
Pennzoil Company.....	14.00%	2/01/1991	2,000,000.00	2,000,000.00	1,979,080.00
Philip Morris Incorporated.....	6.00%	7/15/2001	4,000,000.00	2,065,219.60	1,869,520.00
Sears Roebuck & Company.....	7.00%	11/15/2001	4,000,000.00	2,486,733.84	2,124,840.00
Shell Oil Company.....	13.875%	6/15/1991	2,000,000.00	1,993,010.75	1,984,760.00
Smith International.....	9.85%	5/15/2004	1,500,000.00	1,500,056.93	1,073,520.00
Southern Natural Gas.....	15.00%	12/01/1991	2,000,000.00	1,977,744.69	2,039,140.00
Texaco Capital Incorporated.....	13.25%	6/01/1999	2,000,000.00	1,996,000.00	1,967,320.00
Texaco, Incorporated.....	8.875%	5/01/2005	2,000,000.00	2,122,533.62	1,306,840.00
Union Carbide Corporation.....	9.35%	8/15/2009	2,000,000.00	2,000,000.00	1,323,620.00
Upjohn Company.....	14.00%	6/01/1991	1,000,000.00	1,004,186.57	997,400.00
Totals.....			150,830,000.00	126,856,548.96	110,242,312.70

PUBLIC UTILITY
FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
Chesapeake & Potomac Company.....	9.00%	10/01/2018	1,000,000.00	795,792.11	626,010.00
Cleveland Electric Company.....	8.375%	12/01/2011	1,000,000.00	667,372.61	547,990.00
Cleveland Electric Company.....	12.25%	6/01/2013	2,000,000.00	1,949,535.84	1,551,260.00
Commonwealth Edison Company.....	9.125%	10/15/2008	2,000,000.00	1,451,564.12	1,227,520.00
Duke Power Company.....	9.375%	8/01/2008	3,000,000.00	2,294,712.77	1,989,870.00
Florida Power & Light Company.....	12.125%	11/01/2009	2,400,000.00	2,350,583.15	1,977,864.00
Houston Lighting & Power.....	12.375%	3/15/2013	4,000,000.00	3,971,330.80	3,257,000.00
Indiana Bell Company.....	8.00%	10/01/2014	1,500,000.00	832,517.29	651,118.50
Mountain States Tel. & Teleg. Company....	8.625%	4/01/2018	3,000,000.00	2,600,098.97	1,801,560.00
New York Telephone Company.....	8.625%	6/15/2016	1,000,000.00	969,552.25	603,670.00
New York Telephone Company.....	11.625%	8/01/2019	4,300,000.00	3,956,955.21	3,418,328.00
Northwestern Bell Company.....	9.50%	8/15/2016	4,000,000.00	3,659,902.80	2,663,840.00
Ohio Bell Company.....	7.875%	10/01/2013	2,250,000.00	1,610,156.03	1,239,097.50
Pacific Telephone & Telegraph Company....	12.35%	7/15/2020	1,500,000.00	1,363,171.49	1,248,915.00
Pennsylvania Power & Light Company....	9.75%	11/01/2005	1,500,000.00	1,488,247.30	1,012,500.00
South Central Bell Company.....	9.875%	9/15/2018	1,500,000.00	1,348,238.61	1,018,470.00
Southern Bell Telephone & Teleg. Company	10.90%	12/01/2019	4,300,000.00	3,994,153.87	3,224,312.00
Southwestern Bell Company.....	8.50%	3/15/2016	3,000,000.00	2,192,671.77	1,792,110.00
Southwestern Electric Power.....	11.875%	1/01/2010	2,225,000.00	2,201,887.37	1,808,880.50
Texas Power & Light Company.....	9.375%	2/01/09	2,000,000.00	2,002,473.97	1,311,160.00
Continental Telephone Company.....	13.50%	6/30/1987	1,000,000.00	1,009,295.77	986,540.00
Bell Telephone Company Pennsylvania.....	11.875%	4/15/2020	2,000,000.00	1,806,649.22	1,644,880.00
Carolina Power & Light Company.....	10.50%	5/15/2009	2,000,000.00	1,473,082.00	1,425,940.00
Central Power & Light Company.....	12.375%	1/01/2010	2,000,000.00	2,017,809.82	1,669,740.00
Florida Power & Light Company.....	12.375%	3/01/2013	2,000,000.00	2,009,555.84	1,677,760.00

**INVESTMENT SUMMARY
ANNUAL REPORT 1984**

**INDIANA STATE TEACHERS' RETIREMENT FUND
PUBLIC UTILITY**

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
Internorth, Incorporated.....	10.75%	8/01/1990	2,000,000.00	1,998,188.95	1,728,460.00
Northern States Power Company.....	10.875%	5/01/2013	2,000,000.00	1,927,713.47	1,514,040.00
Pacific Gas & Electric Company.....	12.00%	2/01/2016	2,000,000.00	1,961,325.21	1,604,140.00
South Central Bell Company.....	9.625%	3/01/2019	2,000,000.00	1,446,482.22	1,332,840.00
Southern Natural Gas Company.....	11.375%	11/15/1994	2,000,000.00	1,993,526.91	1,702,700.00
Southwestern Bell Company.....	11.375%	1/15/2020	4,000,000.00	3,878,995.73	3,109,560.00
Tenneco, Incorporated.....	12.125%	5/01/2005	2,000,000.00	1,718,043.04	1,654,780.00
Wisconsin Telephone Company.....	11.375%	6/01/2017	2,000,000.00	1,943,156.40	1,578,700.00
American Telephone & Telegraph Company.....	8.625%	2/01/2007	3,000,000.00	3,105,947.18	1,888,770.00
General Telephone Company.....	12.25%	11/01/2009	2,100,000.00	2,093,193.70	1,753,731.00
Indiana Gas Company.....	11.60%	7/15/1990	1,000,000.00	1,000,000.00	893,120.00
Mountain States Teleph. & Teleg. Company.....	11.25%	11/01/2019	1,500,000.00	1,503,303.25	1,154,235.00
Southern Bell Company.....	8.125%	5/01/2017	1,000,000.00	918,027.73	566,770.00
Southwestern Bell Company.....	6.75%	6/01/2008	2,000,000.00	1,265,914.99	975,660.00
Totals.....			84,725,000.00	76,771,129.76	61,833,841.50

TRANSPORTATION

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
Union Pacific Corporation.....	11.875%	9/01/2010	2,000,000.00	1,962,596.32	1,673,440.00
Union Pacific Railroad.....	13.15%	11/01/1994	3,000,000.00	3,010,500.00	2,824,230.00
Totals.....			5,000,000.00	4,983,096.32	4,497,670.00

MUNICIPAL

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
Alaska State Housing.....	12.875%	12/01/1993	2,000,000.00	2,047,894.17	1,845,340.00
Totals.....			2,000,000.00	2,047,894.17	1,845,340.00

GUARANTEED INSURANCE CONTRACTS

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
Continental Assurance Company.....	10.87%	10/11/1984	3,000,000.00	3,000,000.00	3,000,000.00
Hartford Life Insurance Company.....	10.65%	1/31/1985	2,000,000.00	2,000,000.00	2,000,000.00
New York Life Insurance Company.....	12.11%	2/27/1986	3,000,000.00	3,000,000.00	3,000,000.00
Northwestern National Company.....	12.35%	2/28/1987	3,000,000.00	3,000,000.00	3,000,000.00
Pacific Mutual Insurance Company.....	11.88%	3/02/1987	3,000,000.00	3,000,000.00	3,000,000.00
Union Central Insurance Company.....	12.03%	3/28/1986	1,000,000.00	1,000,000.00	1,000,000.00
Union Central Insurance Company.....	11.53%	4/29/1986	1,000,000.00	1,000,000.00	1,000,000.00
Totals.....			16,000,000.00	16,000,000.00	16,000,000.00

**INVESTMENT SUMMARY
ANNUAL REPORT 1984**

**INDIANA STATE TEACHERS' RETIREMENT FUND
FOREIGN**

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
Hydro Quebec.....	10.00%	11/15/2005	500,000.00	496,878.14	345,500.00
Manitoba Hydro - Electric.....	9.25%	1/15/2006	1,000,000.00	984,356.03	660,240.00
Nova Scotia Province.....	11.50%	5/15/2013	2,000,000.00	2,004,805.93	1,550,820.00
Ontario Province.....	15.25%	8/31/2012	2,000,000.00	1,992,977.71	2,043,460.00
Ontario Province.....	9.25%	11/15/2005	1,000,000.00	1,024,095.00	665,290.00
Totals.....			6,500,000.00	6,503,112.81	5,265,310.00

CERTIFICATES OF DEPOSIT
FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
First National Bank of Minnesota.....	14.875%	3/11/1985	2,000,000.00	2,000,000.00	2,032,360.00
Riggs National Bank.....	11.00%	7/17/1985	3,000,000.00	3,000,000.00	3,000,000.00
First City National Bank Houston.....	13.25%	10/01/1986	2,000,000.00	2,000,000.00	1,984,560.00
Totals.....			7,000,000.00	7,000,000.00	7,016,920.00

COMMERCIAL PAPER
FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
Chemical Bank.....	10.375%	7/24/1984	2,000,000.00	1,948,701.39	1,948,701.39
Citigo.....	10.95%	7/11/1984	1,000,000.00	983,270.83	983,270.83
Citigo.....	11.40%	7/30/1984	2,000,000.00	1,975,933.33	1,975,933.33
Fleet Financial Group.....	10.95%	7/30/1984	3,000,000.00	2,961,675.00	2,961,675.00
GTE Finance Corporation.....	11.40%	7/26/1984	1,000,000.00	991,450.00	991,450.00
International Telephone & Telegraph.....	11.05%	8/17/1984	2,000,000.00	1,963,780.56	1,963,780.56
Security Pacific Corporation.....	10.60%	7/16/1984	1,000,000.00	988,811.11	988,811.11
Shearson / American Express.....	10.90%	7/26/1984	2,000,000.00	1,975,172.22	1,975,172.22
Marmon Industrial Group.....	11.05%	7/18/1984	1,000,000.00	990,791.67	990,791.67
Wells Fargo & Company.....	10.97%	8/13/1984	2,000,000.00	1,965,871.11	1,965,871.11
General Motors Acceptance Corporation...	10.90%	7/03/1984	2,004,000.00	2,004,000.00	2,004,000.00
General Electric Credit Corporation.....	10.875%	7/05/1984	2,000,000.00	2,000,000.00	2,000,000.00
General Motors Acceptance Corporation...	10.80%	7/02/1984	500,000.00	500,000.00	500,000.00
John Deere Credit Company.....	10.70%	7/02/1984	1,000,000.00	1,000,000.00	1,000,000.00
General Electric Credit Corporation.....	10.45%	7/02/1984	2,000,000.00	2,000,000.00	2,000,000.00
J C Penney Financial Corporation.....	10.40%	7/02/1984	1,000,000.00	1,000,000.00	1,000,000.00
American Telephone & Telegraph.....	10.40%	7/02/1984	2,000,000.00	1,984,400.00	1,984,400.00
Burroughs Corporation.....	10.60%	7/02/1984	2,000,000.00	1,985,866.67	1,985,866.67
Dow Chemical.....	10.40%	7/02/1984	2,000,000.00	1,984,400.00	1,984,400.00
Kimberly Clark Corporation.....	10.80%	7/02/1984	1,000,000.00	995,800.00	995,800.00
Ralston Purina Company.....	10.60%	7/02/1984	2,000,000.00	1,985,866.67	1,985,866.67
Jos. E. Seagram & Sons Incorporated.....	10.60%	7/02/1984	2,000,000.00	1,985,866.67	1,985,866.67
Standard Oil, California.....	10.75%	7/02/1984	2,000,000.00	1,987,458.33	1,987,458.33
Standard Oil, Indiana.....	10.60%	7/02/1984	2,000,000.00	1,985,866.67	1,985,866.67
Totals.....			40,504,000.00	40,144,982.23	40,144,982.23

INVESTMENT SUMMARY ANNUAL REPORT 1984

INDIANA STATE TEACHERS' RETIREMENT FUND REPURCHASE AGREEMENTS

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
First Boston Company.....	10.60%	7/02/1984	8,000,000.00	8,000,000.00	8,000,000.00
Goldman Sachs.....	10.60%	7/02/1984	9,000,000.00	9,000,000.00	9,000,000.00
Variable Rates.....			26,353,200.00	26,353,200.00	26,353,200.00
Totals			43,353,200.00	43,353,200.00	43,353,200.00

BANKERS ACCEPTANCE

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
Centerre Bank, St. Louis.....	10.65%	7/09/1984	3,000,000.00	2,944,975.00	2,944,975.00
Chase Manhattan Bank.....	11.05%	7/31/1984	2,000,000.00	1,953,344.44	1,953,344.44
First National Bank, Chicago.....	10.85%	8/13/1984	3,000,000.00	2,933,091.67	2,933,091.67
First National Bank, Minneapolis.....	10.15%	8/28/1984	1,000,000.00	960,527.78	960,527.78
Morgan Guaranty Trust Company.....	10.20%	7/19/1984	2,500,000.00	2,434,833.33	2,434,833.33
National Westminster Bank.....	10.30%	7/26/1984	500,000.00	486,981.94	486,981.94
Totals			12,000,000.00	11,713,754.16	11,713,754.16
Total Bonds			906,563,150.45	866,360,461.04	770,086,094.72

MORTGAGES

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
Whiting A.F.B. # 63-81011.....	4.50%	11/1986	282,045.78	278,531.48	278,531.48
# 63-81013.....	4.50%	9/1986	259,739.81	256,301.08	253,601.08
Ft. Lee, VA. # 51-80001.....	4.00%	9/1984	6,649.23	6,649.23	6,649.23
# 51-80002.....	4.00%	11/1984	12,398.24	12,398.24	12,398.24
# 51-80004.....	4.00%	12/1984	14,770.29	14,770.29	14,770.29
Columbus, Indiana Post Office.....	7.50%	5/2000	1,129,100.28	1,129,100.28	1,129,100.28
Totals			1,704,703.63	1,697,750.60	1,697,750.60

REAL ESTATE

FISCAL YEAR ENDING JUNE 30, 1984

	Interest Rate	Maturity Date	Par Value	Book Value	Market Value
Columbus, Indiana Post Office.....	—0—	—0—	260,000.00	260,000.00	309,800.00
Totals			260,000.00	260,000.00	309,800.00
Total Investments			908,527,854.08	868,318,211.64	772,093,645.32

GABRIEL, ROEDER, SMITH & COMPANY

ACTUARIES & CONSULTANTS

2090 First National Building
Detroit, Michigan 48226
Area 313: 961-3346

September 25, 1984

The Board of Trustees
Indiana State Teachers Retirement Fund
Indianapolis, Indiana

Ladies and Gentlemen:

We hereby certify that the June 30, 1983 actuarial valuation of the Indiana State Teachers Retirement Fund was made in accordance with generally recognized actuarial methods.

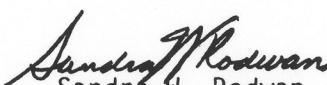
It is our opinion that the actuarial information contained in the valuation report is complete and accurate, being based upon the following:

- (i) Data furnished by the Executive Secretary of ISTRF concerning active and inactive members, retirants, beneficiaries and financial information. This data was not audited by us but was checked for completeness, reasonableness and year-to-year consistency.
- (ii) Assumptions, adopted by the Board of Trustees after consultation with the actuary, which relate to the experience of the Fund and produce results which we believe are reasonable.

The results of the valuation as shown in our reports reflect that employer contributions have been based on amounts needed for cash benefit payments.

A more sound financial objective would be to contribute amounts which, expressed as percents of active member payroll, will remain level from generation to generation of Indiana citizens, pursuant to IC Sec. 5-10.2-2-11. The actuarial valuation was made in accordance with the principles of this financial objective.

Respectfully submitted,

 
Sandra W. Rodwan Richard G. Roeder

Members
American Academy of Actuaries

SWR:ct

ACTUARIAL REPORT ANNUAL REPORT 1984

INDIANA STATE TEACHERS' RETIREMENT FUND SUMMARY OF VALUATION RESULTS

JUNE 30, 1983

I. Unfunded Actuarial Accrued Liabilities

Accrued liabilities are the present value of benefits the Fund promises to pay in the future based upon service already rendered — a liability has been established ("accrued") because the service has been rendered, but the resulting monthly cash benefits may not be payable until years in the future. If accrued liabilities at any time exceed the fund's accrued assets (cash & investments), the difference is unfunded accrued liabilities.

ACTUARIAL ACCRUED LIABILITIES: COMPUTED & UNFUNDED

Amounts at June 30, 1983	Retired Lives	Active & Inactive Members	ISTRF Total
Computed accrued liabilities.....	\$ 1,042,729,584	\$ 2,294,842,301	\$ 3,337,571,885
Reported assets.....	220,447,081	544,186,150	764,633,231
Unfunded Accrued Liabilities.....	\$ 822,282,503	\$ 1,750,656,151	\$ 2,572,938,654

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INDIANA STATE TEACHERS' RETIREMENT FUND SUMMARY OF VALUATION RESULTS

(continued)

JUNE 30, 1983

II. Test of Financial Condition

If the contributions to ISTRF are level in concept and soundly executed, the Fund will pay all promised benefits when due — the ultimate test of financial soundness. Testing for level contribution rates is the long term test.

A short condition test is one means of checking a fund's progress under its funding program. In a short condition test, the fund's present assets (cash and investments) are compared with:

- 1) Active member contributions on deposit;
- 2) The liabilities for future benefits to present retired lives;
- 3) The liabilities for service already rendered by active members.

In a fund that has been following the discipline of level percent of payroll financing, the liabilities for active member contributions on deposit (liability 1) and the liabilities for future benefits to present retired lives (liability 2) will be fully covered by present assets (except in rare circumstances). In addition, the liabilities for service already rendered by active members (liability 3) will be partially covered by the remainder of present assets. The larger the funded portion of liability 3, the stronger the condition of the Fund. Liability 3 being fully funded is rare.

The schedule following illustrates the history of liability 2 of the Fund:

COMPUTED ACTUARIAL ACCRUED LIABILITIES

June 30	(1) Member Control	(2) Present Members Retired Lives			(3) (\$ in Millions)	Valuation Assets	Portion of Accrued Liabilities Covered by Assets		
		(Employer Financed Portion)	(1)	(2)			(1)	(2)	(3)
1975*#.....	\$ 216	\$ 451	\$ 903	\$ 312	100%	100%	21%	21%	0%
1977#.....	265	634	1,246	375	100	100	17	17	0
1979*#.....	324	777	1,481	466	100	100	18	18	0
1980.....	373	838	1,632	539	100	100	18	18	0
1981.....	423	885	1,649	601	100	100	20	20	0
1983*.....	544	1,043	1,751	764	100	100	21	21	0

@ The principal reason for retired lives not being 100% funded is the employer's cash disbursement contribution pattern — an increasing contribution pattern.

* Revised assumptions.

Legislated benefit increase.

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**INDIANA STATE TEACHERS' RETIREMENT FUND
SUMMARY OF VALUATION RESULTS**
(continued)
 JUNE 30, 1983

III. Computed Employer Contribution Rates — June 30, 1983

Contributions for:	EMPLOYER CONTRIBUTIONS AS % OF ACTIVE PAYROLL		
	Prevent UAAL Growth	40 Year Amortization of UAAL	
Normal Cost:			
Age & service pensions.....	6.01%	6.01%	
Disability & death-in-service.....	0.49	0.49	
Totals.....	6.50	6.50	
Unfunded Actuarial Accrued Liabilities (UAAL):			
Active and inactive teachers.....	2.46	4.73	
(\$ millions unfunded).....	(\$1,751)	(\$1,751)	
Retirants & beneficiaries.....	1.15	2.22	
(\$ millions unfunded).....	(\$822)	(\$822)	
Totals.....	3.61	6.95	
(\$ millions unfunded).....	(\$2,573)	(\$2,573)	
COMPUTED EMPLOYER CONTRIBUTIONS:			
	10.11%	13.45%	

Schedule 7 above shows two optional financing methods for unfunded actuarial accrued liabilities:

- (i) Preventing growth of the unfunded actuarial liabilities. This method will keep the unfunded actuarial accrued liabilities from increasing as a % of member payroll, assuming full normal cost is also contributed and if future actual experience is no worse than future assumed experience; and
- (ii) Amortizing unfunded actuarial accrued liabilities as a level percent of payroll over a period of 40 years.

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SUMMARY OF VALUATION RESULTS**

(continued)

JUNE 30, 1983

IV. Valuation Data

The June 30, 1983 actuarial valuation was based on the following data:

RETIRANTS AND BENEFICIARIES

	<u>Number</u>	<u>Annual Allowances</u>
Men.....	5,874	\$ 38,823,528
Women.....	17,757	90,103,704
Total.....	23,631	\$ 128,927,232

ACTIVE MEMBERS

	<u>Number</u>		<u>Averages*</u>	
	<u>Number</u>	<u>Annual Payroll</u>	<u>Age</u>	<u>Service</u>
Men.....	24,670	\$ 595,226,314	42.3 yrs.	15.7 yrs.
Women.....	39,610	754,834,985	40.3 yrs.	11.7 yrs.
Total.....	64,280	\$ 1,350,061,299	41.1 yrs.	13.3 yrs.

*Averages are not used in the valuation process but are shown for general interest.

FINANCIAL INFORMATION

<u>Type of Asset</u>	<u>Amount</u>
Member Reserves:	
Active and Inactive.....	\$ 544,186,150
Retired.....	142,026,862
Total.....	\$ 686,213,012
Employer Reserves:	
Active.....	\$ none
Retired.....	78,420,219
Total.....	\$ 78,420,219

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INDIANA STATE TEACHERS' RETIREMENT FUND SUMMARY OF BENEFIT PROVISIONS

LAST CHANGED 7/1/83

Regular Retirement (no reduction factor for age):

Eligibility—Age 65 with 10 years service.

Mandatory Retirement Age—none.

Annual Amount—State pension equal to total service times 1.1% of final average salary; plus, an annuity purchased by the member's accumulated contributions.

Type of Final Average Salary—Average of highest 5 years.

Early Retirement (age reduction factor used):

Eligibility—Age 50 with 15 or more years service.

Annual Amount—State pension is computed as regular retirement benefit but reduced 1/10 of 1% for each month age at retirement is between 60 and 65 and 5/12 of 1% for each month under age 60.

Deferred Retirement (vested benefit):

Eligibility—10 years of service. Benefit commences at age 65, or at age 50 if member had 15 or more years of service.

Annual Amount—Computed as a regular retirement benefit with state pension based on service and final average salary at termination.

Duty Disability Retirement: Same as Non - Duty Disability shown below.

Non—Duty / Disability Retirement:

Eligibility—5 years of service.

Annual Amount—\$125 per month plus \$5 for each year of service credit over 5 years.

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INDIANA STATE TEACHERS' RETIREMENT FUND SUMMARY OF BENEFIT PROVISIONS

(continued)

LAST CHANGED 7/1/83

Duty Death Before Retirement:

Eligibility—15 years of service. Spouse to whom member had been married for 3 or more years is automatically eligible, or a dependent may be designated as beneficiary.

Annual Amount—Computed as regular retirement benefit but reduced in accordance with a 100% joint and survivor election.

Member Contributions: 3% of salary

Benefit Increases After Retirement: No automatic increases after retirement are provided. Unscheduled increases have been made from time to time.

Effective 7 - 1 - 83, a 3% increase for recipients who retired before 7 - 2 - 82 and an additional increase based on year of retirement were granted. The related liability increase was \$35.6 + million.

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**Schedule 6.
INDIANA STATE TEACHERS' RETIREMENT FUND
RETIRANTS & BENEFICIARIES COMPUTED LIABILITIES
COMPARATIVE STATEMENT**

JUNE 30, 1983

Monthly Allowances Being Paid

Valuation June 30	Number	Normal Allowances	Total Allowances	Average Total Allowances
1966.....	10,947	\$ 1,502,849	\$ 1,754,398	\$ 160
1967.....	11,621	1,670,811	1,907,677	164
1968.....	12,362	1,865,499	2,085,945	169
1969.....	13,214	2,121,736	2,328,301	176
1970.....	14,312	2,459,385	2,647,397	185
1971.....	15,284	2,761,245	2,940,019	192
1972.....	16,525	3,232,285	3,356,456	203
1973.....	17,642	3,570,810	3,844,997	218
1975.....	19,217	4,298,637	4,660,873	243
1976.....	19,961	4,785,066	5,663,049	284
1977.....	20,670	5,208,747	6,186,999	299
1978.....	21,312	4,806,831	6,802,983	319
1979.....	21,808	5,144,227	7,353,986	337
1980.....	22,255	5,563,433	8,542,355	384
1981.....	22,738	6,775,694	8,895,272	391
1982.....	23,261	7,262,740	9,743,080	419
1983.....	23,631	7,742,789	10,743,936	455

If actual employer contributions had been following level contribution rate principles and following the contribution provisions of Chapter 329 of Acts of 1955, the retired life liabilities for normal allowances would be 100% funded.

* Revised assumptions.

The computed liability for the annuity portion of the normal allowance was \$121,488,456. The June 30, 1983 balance in the Retired Teacher Annuity Reserve was reported to be \$142,026,862.

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Schedule 6.
INDIANA STATE TEACHERS' RETIREMENT FUND
RETIRANTS & BENEFICIARIES COMPUTED LIABILITIES

COMPARATIVE STATEMENT

(continued)

JUNE 30, 1983

Valuation June 30	Computed Liabilities		Pension Reserves Available for Retired Lives	Ratio of Reserves To Normal Liabilities
	Normal Allowances	Total Allowances		
1966	\$ 205,077,594	\$ .....	\$ .....	.....
1967	226,597,440	.....	.....	.....
1968	220,904,496*	.....	.....	.....
1969	252,109,356	.....	.....	.....
1970	296,988,420	.....	37,249,947	12.5%
1971	333,115,464	.....	40,282,154	12.1
1972	387,167,736	.....	48,234,297	12.5
1973	407,205,444*	.....	84,143,378	20.7
1975	489,557,796	.....	95,684,185	19.5
1976	502,565,184*	521,518,344*	103,417,581	20.6
1977	545,493,516	634,282,404	109,541,561	20.1
1978	584,589,000	695,037,540	122,903,169	21.0
1979	620,418,864	776,820,456	138,791,199	22.4
1980	656,822,112	838,221,996	152,227,411	23.2
1981	697,140,204	885,519,372	178,126,912	25.6
1982	744,703,776	962,757,924	210,986,498	28.3
1983	773,009,736*	1,042,729,584*	220,447,081#	28.5

If actual employer contributions had been following level contribution rate principles and following the contribution provisions of Chapter 329 of Acts of 1955, the retired life liabilities for normal allowances would be 100% funded.

* Revised assumptions.

The computed liability for the annuity portion of the normal allowance was \$121,488,456. The June 30, 1983 balance in the Retired Teacher Annuity Reserve was reported to be \$142,026,862.

INDIANA STATE TEACHERS' RETIREMENT FUND

